FBIS DAILY REPORT

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Vol VI No 171 *3 September 1981*

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COMMUNIQUE AGAINST FRENCH-MEXICAN DECLARATION

PA022319 Caracas Radio Rumbos Network in Spanish 2100 GMT 2 Sep 81

[Joint communique signed by nine Latin American countries concerning the recognition by Mexico and France of the leftist guerrillas of El Salvador, read by Venezuelan Foreign Minister Jose Alberto Zambrano Velasco; time and place not given--recorded]

[Text] The undersigned foreign ministers, representing their respective governments and considering that the governments of Mexico and France have decided to interfere in the internal affairs of El Salvador by making political statements designed to favor one of the subversive extremes trying to seize power in that country, express their surprise over such an attitude which sets a very serious precedent.

The foreign ministers note with great surprise that the pronouncement of those two governments in favor of one of the subversive extremes, which through violence is trying to thwart the Salvadoran people's democratic destiny and free determination, tacitly invites other foreign entities to voice their support for the extremist elements involved in the crisis. Therefore, far from contributing to a solution of the problem, its internationalization will tend to exacerbate it.

The foreign ministers recall that Latin America, southward from the Rio Grande, has, on various occasions, suffered the bitter experience of foreign intervention by regional and extraregional powers.

They affirm the support of their governments for the effort being made by the people of El Salvador and their democratic civilian and military leaders to achieve peace and social justice within a pluralistic and democratic system.

They affirm that it is up to the Salvadorans to find a political and democratic solution to the conflict, without any direct or indirect foreign intervention.

[Signed] Oscar Camilion, Argentina
Mario Rolon Anaya, Bolivia
Carlos Lemos Simmonds, Colombia
Rene Rojas Galdames, Chile
Rafael Castillo Valdes, Guatemala
Cesar Elvir Sierra, Honduras
Alberto Nogues, Paraguay
Manuel Enrique Tavares, the Dominican Republic
Jose Alberto Zambrano Velasco, Venezuela

Paraguayan Foreign Minister

PY030226 Asuncion Television Teledifusora Paraguaya in Spanish 2300 GMT 2 Sep 81

[Excerpts] The news which was anticipated in our newscast at noon was confirmed. In fact our country, Paraguay, has signed the declaration by foreign ministers of Latin American countries in which concern had been expressed over the French-Mexican statement on the Salvadoran situation.

Finally, we have succeeded in our efforts to interview our country's foreign minister. He granted us this privilege a few minutes ago in his residence.

[Question] Nine Latin American countries signed a joint declaration expressing their concern over a Mexican-French declaration which is tantamount to intervention in the domestic affairs of El Salvador. Our country joined those Latin American countries. Here we are with Foreign Minister Alberto Nogues. We ask him his opinion on that joint declaration.

[Begin Nogues recording] The government of our country has been invited to sign that declaration and, although its original text could be improved, the decision to accept it as is was made, in view of the need for prompt action in this case. In fact, in view of this surprising revival of an interventionist process which is unacceptable and which should be definitely energetically forbidden, it was necessary to unanimously let a voice be heard, expressing the conditions inherent to a consensus.

By agreeing to sign that declaration, the government of our country does nothing but ratify once more, with legitimate pride, its unswerving adherence to the principle of non-intervention in internal affairs, a principle which we have defended time and time again. We derive satisfaction from the fact that this has been a proper step, in keeping with the principles and correct thinking in our continent, that's all. [end recording]

CARICOM FINANCE MINISTERS OPEN 2-DAY MEETING

FL022059 Bridgetown CANA in English 2036 GMT 2 Sep 81

[By Paget Defreitas]

[Text] Kingston, Jamaica, 2 Sep (CANA)--Caribbean Community (CARICOM) finance ministers opened a 2-day meeting here today with speakers stressing the vital importance of coordinating positions on a number of politico-economic issues facing the region. The session, the first since November 1979, was originally scheduled for Georgetown, Guyana, but was shifted to Kingston so that it could dovetail with a CARICOM foreign ministers conference starting here Friday.

The foreign ministers meeting was called by Jamaica to discuss the so-called Caribbean basin plan, a U.S. aid initiative aimed at increasing social and economic development in Central America and the Caribbean.

CARICOM Secretary General Dr Kurleigh King told the opening session that Central American countries have had several meetings among themselves on the Caribbean basin plan. Said he: "CARICOM countries and those of the wider Caribbean have not yet consulted with one another on what their reaction ought to be or what proposal they ought to make in the context of the proposal.

"...The secretariat has prepared a background paper with recommendations for the consideration of this meeting. We have outlined what we consider to be the possible objectives and benefits of the proposed arrangement and we have suggested a negotiating strategy for ensuring that our expectations meet some measure of fulfillment." He said that since the proposal had both financial and foreign policy implications, by the time the meeting was through the ministers should have examined the options from all relevant point of views and should have exchanged ideas at the regional level on all the important issues. Dr King gave no details of the secretariat's recommendations and delegates, many of whom were now studying the document, were tight-lipped.

Jamaica's Prime Minister Edward Seaga, who first mooted an initiative for a type of "mini-Marshall Plan", has suggested that inflows to the Caribbean basin needed to be raised from the present 1.3 billion dollars (U.S.) to 3 billion dollars (U.S.) bankrolled by the West, which has an interest in the stability of the region. Mr Seaga, who holds the finance portfolio, is not attending this conference, but with Foreign Minister Hugh Shearer will be advancing Jamaica's position at Friday's meeting. His deputy in the Finance Ministry, St Claire Shirley, told delegates: "In this initiative we envisage a vital role to be played by the private sector, with the emphasis on the productive side."

Mr Shirley noted that Central America and the Caribbean had been characterized as "an area of strategic interest" and once the meeting had achieved "a realistic understanding of the (region's) problems and aspirations", it must arrive at a coordinated and structured approach to dealing with them. "We should (then) be in a position to impress upon the industrialized world the avenues for strengthening external aid and economic cooperation," he said.

Minister of State in the Barbados Foreign Ministry, Clyde Griffith, however, pointed out that while the economic problems of the region were similar the causes often varied, and for this reason "a framework should be developed which permits a diversity of economic and other difficulties to be addressed." It was obligatory, he said, that any scheme devised embrace trading facilities, investment and development assistance.

"Any plan which does not contain all three of these elements will be of limited use to the region and might in fact run the risk of being, on balance, unhelpful," said Senator Griffith, who is chairing the meeting.

Guyana, which is now having a quarrel with the United States over Washington's blocking of a 20 million dollar (U.S.) loan to Georgetown from the Inter-American Development Bank and a territorial dispute with Venezuela, told the conference to be careful in its approaches. Said Car Greenidge, special economic adviser to Guyana President Forbes Burnham: "It is for us to gear and prepare ourselves so best we can ensure that we can respond firmly to such approaches. As you know we have a long history in that the best response and initiative is one that is couched in the framework of a CARICOM position. We know that for individual members there is unity in strength, particularly since the issues in question involve our economic interests, strategic interests, our access to material and financial resources as well as our territorial integrity." He later told CANA that this was important as the region's strategic and economic interests might not "coincide with those who put forward proposals."

The CARICOM foreign ministers are to be joined by representatives from Suriname, Haiti and Dominican Republic for a further meeting on Monday. The finance ministers will also be drawing-up a joint regional position for the annual meeting of the International Monetary Fund (IMF) and the World Bank in September, and for the Commonwealth finance ministers conference scheduled for early October in the Bahamas. They are also expected to work-out a new mechanism for developing a coordinated approach for CARICOM negotiations with donor countries in the Caribbean Group for Cooperation in [Economic] Development (CGCED).

Dr King explained that the finance ministers meeting was normally held along with the CGCED conference and as such could not properly develop a common position. Caucusing at the time of the conference was inadequate, Dr King said, and the better coordination of the donor group had led to the suspicion that things turned out more to the advantage of the donors than us.

BOLIVIAN PRESIDENT OPENS NUCLEAR MEETING

PY010333 La Paz Radio Illimani Network in Spanish 0100 GMT 1 Sep 81

[Excerpts] Representing the government of the Junta of Commanders, President Waldo Bernal Pereira today officially opened the 12th meeting of the Inter-American Nuclear Energy Commission [IANEC].

The meeting, which will be held until next Friday at the Libertad Room of the Sheraton Hotel, is attended by 150 delegates of 15 American countries and representatives of international specialized institutions. The opening ceremony was attended by Presidents Waldo Bernal Pereira and Oscar Pammo, the ministers of foreign affairs and mining and metallurgy, diplomatic representatives and journalists from several countries.

Edgar Ampuero Angulo, chairman of the Bolivian Nuclear Energy Commission, was elected president of IANEC.

In his speech, President Bernal emphasized the need for all countries to use nuclear energy for peaceful purposes.

POSSIBLE APPOINTMENT OF PRESIDENT CONFIRMED

PY021726 Paris AFP in Spanish 1700 GMT 2 Sep 81

[Text] La Paz, 2 Sep (AFP)--Bolivian Defense Minister Gen Armando Reyes Villa today confirmed a report last night released by AFP to the effect that the junta will appoint the new president of the nation in the coming hours.

The first person to arrive at Government House today in order to discuss this decision was Army Commander in Chief Gen Celso Torrelio Villa, who is viewed as the forerunner to the post of president of the nation.

Torrelio Villa came together with Interior Minister Col Rolando Canido Vericochea, who said that the ruling junta will discuss a report from Washington according to which Argentine Foreign Minister Oscar Camilion had stated that U.S. President Ronald Reagan had asked for Argentina's cooperation to normalize the Bolivian situation.

General Torrelio was commander of the army military school, interior minister (for only 2 weeks) under Garcia Meza, and then promoted to army commander in chief. In view of the latter appointment, he became a member of the Junta of Commanders in Chief which has been ruling the country since 4 August, when Garcia Meza resigned as president.

In addition to reporting that the meeting was imminent, the defense minister also mentioned the possibility that instead of appointing a single president, the junta could acquire a fourth member. However, this outcome is viewed as remote by political analysts.

PROMINENT CITIZENS REQUEST PROVISIONAL GOVERNMENT

PY022111 Paris AFP in Spanish 1600 GMT 2 Sep 81

[Text] La Paz, 2 Sep (AFP)--Twenty-eight prominent citizens among whom are former ministers, former congressmen and writers, have proposed the creation of a provisional government "because the current one does not have the necessary conditions to deal with the institutionalization of the country and to rebuild its economy."

This proposal has been made by means of a document called "A Call for National Unity," which is signed by Alfredo Candia, president of the World Anticommunist League; Guillermo Aponte Burela, top leader of the Bolivian Socialist Party (a splinter of the one led by Marcelo Quiroga Santa Cruz); Joaquin Espada, former foreign minister and member of the Socialist Republican Union; Luis Fernando Guachala, former presidential candidate for the Liberal Party; Gen Bernardino Bilbao Rioja, former presidential candidate for the Bolivian Socialist Falange (FSB) and other outstanding citizens.

The document advocates the need to reconcile the armed forces, the political parties the unions and the business and civic associations seeking an immediate political and social truce which would last at least 2 years. The document believes that the proposed provisional government should approve an emergency program to deal with the country's economy and process of institutionalization.

GOVERNMENT SUPPORTS VENEZUELA'S SALVADORAN STAND

PY020248 Paris AFP in Spanish 0212 GMT 2 Sep 81

[Text] La Paz, 1 Sep (AFP)--Bolivia has expressed its solidarity with the Venezuelan position of support for the Salvadoran military government, the Bolivian Foreign Ministry reported here today in a communique.

Openly disagreeing with France and Mexico, which decided to recognize the Democratic Revolutionary Front (FDR) and the Farabundo Marti National Liberation Front (FMLN), Venezuela contended that the Christian Democratic government headed by Jose Napoleon Duarte should be recognized by the Andean Pact countries.

In a note sent to his Venezuelan counterpart, Alberto Zambrano Velasco, the Bolivian foreign minister, stated that Bolivia agrees with the Venezuelan position of upholding the principle of nonintervention, which is zealously defended by the La Paz government.

FOREIGN MINISTER EMPHASIZES SOCIALIST AID

PY022248 Buenos Aires LATIN in Spanish 2103 GMT 26 Aug 81

[Excerpts] La Paz, 26 Aug (LATIN-REUTER)--The Bolivian Foreign Ministry today created a committee for the coordination of human rights aimed at expediting the task of a UN delegate who will come to Bolivia in October to evaluate the status of human rights in this country.

"This committee for the coordination of human rights which will work together with the Foreign Ministry and the Interior Ministry is mainly aimed at expediting the task of the UN delegate," Foreign Minister Mario Rolon Anaya said today.

The minister discussed this and other subjects in the course of a working breakfast which he shared with representatives of foreign and national news media at the Foreign Ministry.

He said that the severance of diplomatic relations with the United States, European countries, Venezuela, Ecuador and Panama had meant diplomatic isolation worsened by the landlocked situation of Bolivia.

He stressed, however, that during a rightwing government, as the administration of former President Garcia Meza has been termed, relations with socialist countries have been fluid, including those in the economic field.

He said that the international isolation to which Bolivia had been subjected also helped prove that this country is economically self-sufficient and does not necessarily need foreign aid.

Rolon Anaya said that "the belief that without foreign aid this country was going to fall apart has been proven false. The fact that various countries have suspended their aid to ours means that this aid is not decisive and proves that we can become truly self-sufficient."

In response to other questions he said that relations with other countries are becoming normal because these countries are implicitly recognizing that the ruling military junta controls the national territory, but explained that a count of these nations has not been made because it would be improper.

He indicated that during the economic and political crises which plagued the country this year the government has refused to resort to so-called blackmarket foreign loans and that the contracted foreign debt has remained at $3.6 billion, of which only $2.4 billion has been actually disbursed.

As to the Foreign Ministry's international policy, Rolon Anaya said that "we are in favor of interdependency and not dependency" and indicated that a good neighbor policy with bordering countries will be maintained.

"Bolivia feels that it must maintain a policy of continental balance based on sovereignty," the foreign minister told the journalists, adding that "socialist countries are increasing their technical and economic aid to Bolivia."

COCAINE TRAFFICKERS BLAMED FOR U.S. EMBASSY ATTACK

PY021852 Paris AFP in Spanish 0338 GMT 2 Sep 81

[Text] Lima, 1 Sep (AFP)--Interior Minister Jose Maria de la Jara today said that cocaine traffickers are probably responsible for recent terrorist attacks on the U.S. Embassy and U.S.-owned companies.

The minister added that it would seem that these evil-doers are retaliating for a recent accord by which the United States is helping Peru struggle against drug trafficking.

The U.S. Embassy, Ambassador Edwin Corr's residence and the buildings of the Bank of America, the Ford Company and Coca Cola were bombed recently.

Eduardo Ipinze, director of the investigations police has announced that cocaine, machineguns with dum-dum bullets, a shotgun with telescopic sights and a big quantity of ammunition have been found on two Colombian drug traffickers, who he identified as Fernando Arango Zapata and Jaime Rodriguez Medina.

The Interior minister made his statement during the burning of 3,103 kg of various drugs seized over the last few months. It has also been announced that 9,100 kg of various drugs were seized and burned in the course of this year.

ARIAS REAFFIRMS NONINTERVENTION IN EL SALVADOR

PY020247 Paris AFP in Spanish 0012 GMT 2 Sep 81

[Text] Lima, 1 Sep (AFP)--Peru adheres to the principle of nonintervention in the internal affairs of other countries, Peruvian Foreign Minister Javier Arias Stella said here today. He was commenting on the Mexican-French recognition of the opposition forces in El Salvador.

An official declaration of the Peruvian Foreign Ministry states that the minister of foreign relations, Javier Arias Stella, has reaffirmed Peru's full adhesion to the principle of nonintervention and has emphasized that the form of recognition made (by Mexico and France) does not fall within the framework of international law.

Moreover, the document states: The Peruvian foreign minister ratifies his backing for the efforts being made in the brother republic of El Salvador for achieving peace and social justice within a pluralistic and democratic system.

Finally it states that finding a democratic and political solution to their internal problems is a matter for the Salvadorans themselves to decide upon, without any type of outside interference, direct or indirect.

BRIEFS

NEW OIL WELLS--Lima, 4 Aug (AFP)--The Ministry of Energy and Mines has reported that oil has been found in two wells that have been drilled by the U.S. Occidental Oil Company. One of the wells will produce 1,700 barrels of light oil with a 42 to 44 API degree, and the other well will produce 1,200 barrels of 14-degree heavy oil. [Paris AFP in Spanish 0415 GMT 5 Aug 81 PY]

TRADE SURPLUS WITH JAPAN--The trade balance with Japan has registered a $168-million surplus. Annual Peruvian exports to Japan amount $475 million, including $116 million in manufactured products. [Lima EL COMERCIO in Spanish 17 Jun 81 p 14 PY]

PRESIDENT GREGORIO ALVAREZ' INAUGURAL SPEECH

PY012047 Montevideo Radio El Espectador Network in Spanish 1707 GMT 1 Sep 81

[Uruguayan President Gregorio Alvarez inaugural address from Legislative Palace in Montevideo on 1 September--live]

[Text] Members of the Council of the Nation, honorable Cabinet members, honorable members of the Supreme Court, members of the Court of (?Appeals), members of the Controller General's Office [passage indistinct] ladies and gentlemen: [Passage indistinct] as an Uruguayan citizen I am honored with this appointment and I ereby fully assume the responsibilities of this office.

It is well-known that the armed forces entered the national political arena--from which it had remained aloof--as a result of the critical situation our country was experiencing in the economic, political, social and national security sectors. If the armed forces had not entered the arena, the situation would definitely have cast a shadow over the freedom of our fatherland.

But after several years of intense struggle, amid particularly adverse factors, we have been able to achieve significant objectives. Our country is now experiencing peace and order, and the rights of men are upheld. This means that there is coexistence.

The economic sector--which was undermined by the chaos which formerly prevailed and the errors accumulated throughout several decades--has slowly begun to recover. It is still affected by the unfavorable international situation, however.

At last we are now able to get some understanding at the international level regarding the situation our country had to experience. Uruguay at that time was undermined by international tensions and threats, and by the actions and resentments generated during the tragic decade that ended with the process enforced in the seventies.

It is well-known that communism and its allies played a preponderant role in many adverse situations that national officials had to confront at the international level.

But today after several years of struggle, we are determined to continue and to channel this undertaking to achieve a normal and permanent institutional process.

In compliance with the commitment made to the Uruguayan people at the time it assumed the political leadership of the nation, the armed forces submitted to a plebiscite a constitutional draft that tried to avoid the difficulties and distortions presented by the constitution in force, and particularly to confront critical situations and properly uphold the national security.

This constitutional draft was submitted to a plebiscite under complete democratic guarantees but the people decided to reject it.

The armed forces have accepted the decision of the people and have publicly expressed their decision to draft a new constitution jointly with members of traditional political parties.

As a first step to achieve full institutional normality, we have been lifting restrictions on the political activities of many citizens and restoring the full exercise of those rights that have been temporarily banned. As head of the executive branch, I believe it is my duty to express that all necessary guarantees will be provided so that the exercise of these rights will be enforced until we have achieved complete institutional normality.

We reassert that we will strive to achieve the well-being of the people so that the individual may fulfill his destiny, and develop his human needs within a social order based on democracy and freedom.

Otherwise, democracy and freedom will be just empty words, advantageous only to people who support ideological banners without really knowing why they are doing so; or to those who exploit these values distorting their meaning and objectives, seeking the establishment of governments alien to human nature.

However, we must make it clear that public well-being is a permanently challenging and difficult goal because the development of communications, science and technology make it more and more difficult to achieve, due to the appearance of a phenomenon which is known as the revolution of expectations of development and growth.

My only hope is that these words of mine will be taken as coming from a leader who wants to avoid mistakes and preclude disappointments, with which modern history and times are fraught.

To attain the goals outlined, the government which takes over today will become the faithful guarantor of the institutionalization programs recently announced by the representatives of the process and the armed forces. It will supply the guarantees to see that the process is carried out without blunders or delays; guarantees to allow the people to prepare, think and decide about the men who will represent them within the political parties and the future government which will take over in 1985; guarantees to let those citizens who are politically inclined to freely and fairly expound their ideas and show their capabilities before the supreme judge: the people.

In voicing these thoughts of mine, which imply my word of honor as a soldier and citizen, and the honorable commitment of my comrades in the armed forces--I would like, however, to issue a warning; for without doing so I would not be complying with the mandate of my conscience.

Our country's recent past is fraught with the consequences of unbridled exercise of [words indistinct] whose irresponsible and careless use has led to chaos, to disruption of bases for coexistence and to subversion of order and faith in institutions and their men.

By assuming the responsibility for enforcing the citizen's rights and guarantees, I urge those who exercise them to be responsible for their actions.

I also feel it necessary to make it clear that the reestablishment of full citizen's rights and representative democracy will under no circumstance imply tolerance for those who try to destroy it. What this means is the strongest rejection for the preachings, maneuvers and plots of Marxism-Leninism and all other types of extremism.

Let freedom reign in our fatherland, as epitomized by its purest form; the ideas of Artigas. The minds of men and their innermost feelings must remain sacred and inviolable and the state must have no authority over them.

The armed forces have maintained a firm and clear-cut position toward freedom, democracy, political parties and the reestablishment of institutionality.

The armed forces will see to it that the political and institutional evolution is carried out [word indistinct] and that power be transferred to genuinely democratic institutions capable of pursuing the process of national reconstruction placing national interests before those arising from electoral goals and precluding alien ideological penetration regardless of its leanings.

The armed forces will comply unwaveringly with the commitments undertaken before their people and history and will support social peace by promoting and advocating development and security, the main pillars of modern peace.

The official system of education will remain scrupulously respectful toward the conscience of the pupils and will have no other doctrine than that based on love for the fatherland and worship of its traditions and beliefs.

Totalitarian doctrines and those organizations which obey them will not have the chance to take advantage of freedom to destroy or to use freedom of expression and teaching to brainwash students or to indoctrinate them in freedom-destroying beliefs.

The drawing up of a new constitution is among the main targets of the efforts aimed at attaining full institutional normalcy. The severe conflicts which disturbed the country in the recent past and some of the basic shortcomings of the current constitution have forced the armed forces and the national government to act within the framework of emergency measures drawn up as need arose and, therefore, fraught with the errors inherent to any human task. These measures and rules must be replaced by permanent laws.

The lack of adequate institutions coupled with human fallibility increases the chances of errors and abuse in any society. Once again the thoughts expressed by the founder of our national principles, at one memorable event, ring true: We are still dependent on the faith of men and there is no assurance of obtaining it. The honesty of men is a fleeting thing and only the constitution can keep it in check.

The nation's foreign policy will remain faithful to its traditional guidelines which the international community has been aware of for a long time. National sovereignty; respect for our status as a free nation, sole owner of its fate; peace based on law; friendship among governments and peoples; cooperation at all levels; and the building of a more perfect and fair international community will be the basic and permanent objectives of our performance in this essential aspect of public affairs.

There will be no need for us to improvise in order to attain these objectives. Our decisions within the framework of international policy will be based on principles which arise from our history and are part of our nation's image.

We will be zealous guardians of the nation's traditional diplomatic bonds and its internationalist policy. Within the region we will support all those measures aimed at greater Latin American integration.

As far as international economic relations are concerned, we will explore every path capable of furthering the nation's development. The national foreign service will continue adjusting itself to the conditions of the outside world and the nation's requirements. Without detriment to this service's permanent functions as representative of the country's interests, and watchful guardian of its international image, we will ask it to pay special attention to trade and the economic prospects that may open for the country by taking utmost advantage of existing means and resources and by outlining and recommending the procedures that circumstances may demand.

At all times, the private sector will be given direct and essential participation in this field of foreign policy in return for a firm commitment to act responsibly.

The foreign service will be strengthened through government support in return for dedication, patriotism, austerity, effectiveness and daring which will be demanded of it.

In the field of economics, this government which I am honored to preside over plans to maintain the current policy making whatever contingency adjustment may be required.

I believe it necessary to make it very clear that there will be no changes or adventurous approaches to the fiscal and monetary policy.

In a world outlook marked by uncertainty and by the anguish stemming from a disrupted international monetary system--an outlook in which there can be no fully satisfactory formulas for achieving monetary stability--our country has achieved remarkably positive results in relation to others thanks to a serious, responsible economic leadership.

In this field, the government's action will be marked by moderation, understanding and prudence; realistically taking into account the dimensions and the weaknesses of our economy.

Those who are discouraged in good or bad faith, those who either harbor hopes for dramatic changes or who predict chaotic developments, will be entirely disappointed.

We especially want to say that those who expect a sharp leap in the monetary exchange rate will have to understand that such a measure--which will not solve any of our economic problems--will result in the short term in a transfer of large funds from the workers to stronger sectors.

The current status of our international reserves is exceptionally solid. The central government has had no deficits for 2 consecutive years. In spite of major unfavorable factors such as the decline in the price of meat and the increase in the price of oil, the gross domestic product--after a period of stagnation--has started to grow.

The government, which had set as its first priority building up a solid international reserve, viewed as its second goal that of reducing the inflation rate as a form of struggle against that economic evil. Our country has always had a reasonable distribution of income, which is even comparable to that of the United States, the United Kingdom or the FRG.

As a result of the adjustments which became necessary to overcome the endemic stagnation our country had been experiencing, early in this process a concentration of income took place in those sectors which were inclined to invest and not to consume. This led temporarily to a regressive distribution of income.

Yet, as a result of our monetary exchange and tariff policy, a reversal of the above situation has taken place since 1978. Real wages started to recover in 1980. We are sure this will be continued and we will devote our best efforts and worries to this, because of the decline of inflation and the elimination of regressive taxes.

Regarding improvements in the country's production system, we must note that one of the objectives outlined initially at this civic-military process has been satisfactorily achieved. We are referring to the reduction in public expenses.

The bulk of public expenses still account for an excessive part of the overall national income. As a result of a preliminary analysis on the subject, I can state that my government will consider the achievement of this goal as a top priority, without which all efforts made thus far to achieve stabilization will be to no avail.

We must also briefly refer to the status of the world economy for, as is natural, our country cannot remain indifferent to what happens in developed areas. Through 1979 and part of 1980, the developed countries responded to the increase in oil prices with recessive strategies unlike what they had decided in 1974, when they opted for boosting their economies despite the increase in the price of energy.

This situation coupled with the increase of the U.S. dollar vis-a-vis other strong currencies and the ensuing increase of interest rates has furthered the expected recession and the resulting unemployment and protectionism.

It has not been easy to implement our economic policy over the recent years; there have been painful adjustments and effects.

I feel that it is my duty to tell my fellow countrymen that I am fully aware of this situation and that as head of government I will do my best to alleviate as much as possible these negative effects, which I firmly believe will begin to decline as the economy as a whole improves.

This task may well prove to be difficult; the state cannot favor a given sector without harming another, and the latter is bound to be either the producers or the consumers.

I repeat that any measure implemented to resolve the problems of a particular sector may jeopardize the credibitility of the entire policy or it could set down a dangerous precedent favoring the actions of pressure groups.

I would like to mention especially two of the sectors which have been harmed by the adjustments which were implemented in recent years. They are the agricultural producers and the tenants.

As to the former--that is, the agricultural sector--I would like to tell you that I fully appreciate the unselfish toil which it has carried out over the years under, many a time, extremely adverse circumstances as far as international and domestic prices were concerned. Neither can I forget that our land and the men who work it are intertwined with the fate of our fatherland and its historical traditions.

Regarding the depression which now plagues this sector, I see it as caused, in addition to the long-standing adverse status of the international market, by the necessarily gradual manner in which the various adjustments have been implemented.

The financial opening, needed to obtain and increase foreign currency reserves, has given rise to realistic interest rates in the capital market which has, in turn, increased production costs.

(?None) of the difficulties arising from a realistic approach to the economy and the manner in which the adjustments were implemented for the benefit of other sectors, also worthy of support and respect, is transitory. [as heard] [Words indistinct] for a short time through devaluations which merely transfer money from already lean pockets into other fat ones.

In addition to all this, it is necessary to point out that the agricultural sector itself and its sources of financing bear a share of the responsibility for the former's state of indebtedness, a share which it is not my place to assess.

However, the serious problems which agriculture and livestock raising are currently facing, namely heavy debts and low profits, should awaken our concern. This concern should be felt, rather than for the present decline of the sector, for the future cause-and-effect phenomena which the decline is bound to bring about. We are not unaware of the significance of the decline. For should it not be solved fully and coherently it will lead, among other things, to an upset of our most heart-felt goals as far as land distribution is concerned and it will follow the inexorable course of concentration of real estate in a few hands--feudal-minded oligarchies--resulting in the rebirth of the long-overcome banana-republic status and finally, an ineluctable and more or less violent epilogue of the country's evolution into Marxism.

Therefore, through me the government assumes the responsibility of facing the problems of the agriculture sector carefully and understandingly in order to achieve an overall and in-depth solution to aspects which up to now have not received the necessary attention. Among these aspects are the obsolete and monopolistic system which prevails in agricultural marketing through middlemen, the deficient information system and infrastructure, the fiscal measures which may improve agriculture, and the adjustment to systems which regulate bank activities. But at the same time I want to point out to this sector and to all those which are in similar conditions that the government, if it wants to be honest, cannot solve the problems of those sectors at the cost of others nor assume the responsibility for business activities which strictly belong to the private sector.

The active participation of this sector will be promoted in order to establish the links of the complex chain of the production sector so that the long-desired objective of the process for the productive classes--which are of national interest--that they may finally be responsible for their own future--may come true.

Regarding the tenants' sector, I wish to point out that their problem will also be granted special attention, but I also believe that it is necessary to turn to the real causes of this situation in order to find the guidelines and solutions to the tenants' problems.

During whole decades the problem was dealt with through a rent law which, by trying to reduce the rates, ended up by establishing an abnormal market in which abuses took place and turned tenant-landowner relations into a battle ground. Among other characteristics, this law was an emergency law which, nevertheless, remained in force through almost 4 decades. It also had the very important economic consequence of almost doing away with the construction industry, a basic industry which moved a great number of productive sectors and was the main source of jobs.

Although it is quite obvious that tenants were not to blame for the mistaken way in which the government tried to take care of their interests, I believe it essential for them to understand that the definite solution to their problems can only be achieve in one way: with more houses. To have more houses, there should be interest in building them. For there to be interest in building them, it is necessary that the construction of houses yield some profit. Of course, what I have just said does not mean that the government will sit back and do nothing about the problem. The first measure to be taken will be to determine exactly the scope of the problem without taking into account biased, alarming or inaccurate opinions. The second measure will be to establish which are the sectors that need the government's aid since they are not capable of solving their problems with their own resources. The third will be to support the measures adopted by the Mortgage Bank of Uruguay in order to solve, in the shortest time possible, the needs of their clients--especially those of scarce resources who are threatened by imminent eviction.

I want to reiterate that, as of today, the government which I head will always be characterized by prudence, understanding and dialogue; but will be strict when it deems it necessary.

As I offer understanding and prudence, I also request prudence and understanding from all the affected sectors.

Society is a coherent organization, a great family in which everyone will surely find their place if each group has the capacity to understand and respect the other's problems. Those who support the interests of sectors will have to learn to determine where their own interests meet with those of others.

It is necessary to transform our industries and to promote their development. To this end, we can count on our highly educated people and good natural resources. It will be the task of the Uruguayan Government to support this industrial transformation which will benefit the entire country.

Those sectors which can compete in the international market and, in general, all highly effective industries will have an opportunity within the framework of the economic policy we outlined earlier. We are fully convinced that we can expect much better results through revised production mechanisms, the application by the business sector of adequate production cost systems and planning techniques, and improved production processes. To this end, the government will permanently evaluate with a highly realistic view the policies to be followed to ensure steady industrial growth.

The government intends to achieve the normalization of the labor sector through the reestablishment of equal conditions for all parties to the social dialogue.

Extremely serious circumstances--which are known to all--caused the closure of most union organizations which had become instruments of social destabilization and destruction of the country's economy by following directives and objectives of foreign powers and international parties. The ban on labor organizations--imposed by the circumstances--actually caused an imbalance in the labor sector concerning the participation of the two major groups with opposing interests. Since labor-management commissions and emergency and transition formulas have not yielded the expected results, the executive branch has intervened throughout the process to preserve the workers' interests by periodically establishing new levels of minimum wages.

On resuming social dialogue under normal conditions, we trust that direct negotiations between the two parties will gradually reduce the government's protective action.

The careful study and approval by the Council of State of the law on professional associations has undoubtedly marked an important step toward achieving the objective of bringing labor-management relations back to normal. It is the government's objective to promote the complete normalization of labor-management relations. To this end, we want to enforce the above recently approved law as soon as possible by issuing the appropriate regulations.

As for the right to strike, we believe that we must once and for all comply with the clear constitutional mandate of regulating this right. While it is true that the right to strike cannot be eliminated in a democratic society since it is the last-ditch defense the weak have to counter the greater power of the strong, we believe that it should also be regulated just like any other right for the simple reason that there can be no unrestricted or unlimited right in a soundly organized and civilized society.

It is our intention to attend to the needs of all sectors of society so that peace and harmony may be the rule and conflicts the exception. In keeping with this principle, we intend to undertake the regulation of the right to strike in such a way that it may become a last resort to be used only after all formulas for achieving conciliation and accord between the parties involved have been exhausted.

It is proper to state that we have started to overcome the anarchic situation the country experienced up to the early seventies in the areas of youth education and culture. The damages caused to this sector by the serious events that took place in our country and by their far-reaching consequences have been perhaps the worst of all. The damages were particularly critical because they affected an area in which the country has high hopes. This is a sector in which the government allocates the bulk of its resources, a sector in which the achieved ob jectives have formed part of the country's image, that is, its cultural image abroad and its make-up as a nation.

Right from the beginning of this process we sought the reactivation of public schools, which after years of interruptions almost paralyzed their activities. We have also tried to modernize the systems and plans, to update them and adapt them to the country's needs within a dynamic world which is constantly developing in the scientific and technological fields. I believe that we have only taken the first steps in our aim at this second objective. The administrative and economic limitations have confronted us with a very difficult reality whose (?consequences) we are beginning to notice after emerging from the phase of emergencies and achievement of the most urgent goals.

I have ordered the outgoing and current authorities to evaluate every field of the education problems, from the technical field to economic field and at all levels. As long as we do not have the results of this evaluation we will not be able to propose, in a responsible manner, the adequate solution to the current problems among which there are several which are a logical and sound matter of concern for the citizenry.

However, I wish to announce that my government will make it a point to offer absolute and complete freedom to teach within the general political framework which I am now beginning.

At the same time it will be the government's main concern to preserve the historic heritage of the educational and cultural tradition of our fatherland and especially to take care, by every means, of the very valuable human resources which education constantly helps create through so much sacrifice and with such great hopes.

Our attention, in the education field, will be focused on the pupil so that in addition to the family contribution the educational system will assure the integral formation of children and youngsters who are the irreplaceable future of our country. In order to fulfill this priority objective we will emphasize the constant updating of educational programs in order to adjust teaching techniques to modern needs.

The education programs will be aimed at fulfilling the teaching objectives which correspond to each level, always taking into account the integral formation of the pupil which, therefore, includes the spiritual and moral levels.

At the secondary school level we will seek to give the pupil an education which will prepare him to enter various fields of activities, either in labor or continuous studies at a university level. We will emphasize the aptitute of the teaching staff and will be very strict in the selection of teachers who will be encouraged to specialize and dedicate themselves fully to their job.

In order to make youth's access to the labor field easier their training in short technical carriers will be encouraged either in the currently established secondary and higher education organizations or by the establishment of specialized polytechnic schools.

At the university level, the university of the republic has an important role in the country's activities. It is in charge of the training of professionals, specialists in various subjects, who are aware of their important role in society.

The university should be our main point of attention in order to fully comply with its participation in the country's development. It should be present in all national activities in which its academic, scientific and technical cooperation is required.

To achieve this participation we will promote scientific research, technological developments, participation in programs of national interest, assistance in the education and legal sectors, counceling in the agricultural and industrial sectors and in other important national sectors.

Moreover, the university will be granted a proper legal framework to ensure that it will have an effective role in our society but without diverting it from its true goals.

I assure you that I will strive to put the university at the direct and permanent service of our nation; and without the infiltration of any foreign ideologies, its men, its classrooms, its laboratories and all its resources will be used to educate, and train our future citizens and serve and aid our nation. Only thus will we have a truly national university instead of having--as in our unfortunate past--a university at the service of other nations.

In the cultural sector, we will promote artistic and literary activities. We will strive to recover the [words indistinct] and promote art education by establishing specialized schools.

In answer to a basic moral principle, I will now refer to the situation of abandoned minors in our country. I will strive to have a prompt solution to this problem, one that will satisfy both experts and public opinion.

Uruguayans have always shown concern for everything regarding the fate of their children, but there has been so much discussion on the issue and the laws in this regard have become so sophisticated, that the solution to the problem has been lost.

The result is that today we see thousands of abandoned children who are well taken care of, who are well fed, and who are properly educated, but whose emotional and physical future is dangerously threatened. Although I feel that we have to comply with the demands and limitations of the established law, I also feel that our children should be surrounded by love and affection. I am referring to the situation of those living at the Council of Children, particularly those who are at the elementary level. I believe that finding a solution to this regrettable problem is a priority issue, and I will therefore issue the proper orders so that those at the Council of Children, particularly those who are at the elementary level, are placed in families whenever the proper officials deem they are abandoned in compliance with the law. Furthermore, I will see to the enforcement of the proper measures to promote, facilitate, and motivate the fastest possible adoption methods for those abandoned children, even if this implies that we will have to drastically limit the rights of parents.

After overcoming the serious problems caused by Institutional Act No 8, it is the firm purpose of the government to revise and reorganize in depth the judicial branch. Our goal in this regard is to achieve the full independence of the judicial branch, both in the technical and economic aspects. Moreover, I will strive to enforce precise measures to ensure that appointments, transfers, promotions, and punishments of judges are aimed at an improvement of the sector.

The executive branch, through the Justice Ministry, will limit itself to rendering the indispensable administrative support to achieve more effective performance in the enforcement of the law, but without interfering in the independent activity of judges.

I, therefore, hope that the enforcement of the law in keeping with these bases will be a true source of pride to Uruguayans.

We will strive to reorganize and improve what has been done in the health sector in this country in the past few years. To ensure and safeguard the population's health is one of the state's objectives. It will seek the individual and collective welfare as one of the factors for social and economic development. It is not only the government that is committed to achieving this objective, but it is also up to the community to participate actively in order to achieve it.

The Public Health Ministry is the organization that governs the health sector, a power that will be exercized through [words indistinct], supervision and the control over the whole sector, in such a way that every inhabitant of the country will have access to a health system that will satisfy his basic needs in an opportune and efficient way.

Emphasis will be placed on coordination of programs and procedures in order to prevent repetitive efforts and the duplication of actions that annul the results that should have been obtained. The sector's resources will be rationalized in order to obtain optimum benefits that will favor national interests.

Priorities will be established in the health policy, placing emphasis on the human groups that are most vulnerable within the social and economic framework.

Regarding the energy sector, we have to face a formidable challenge. Of all Latin American countries, even when compared with any of those that are in the developing stage, Uruguay is one of the most affected by the oil crisis. It is not necessary to recall that the supply of energy is a Gordian knot for our country, as it is for any country in the world.

Nevertheless, I believe that the energy challenge is much more of a challenge to the intelligence of nations and to their organizational capabilities that the challenge of economic resources.

Our fatherland has demonstrated, through the action of its men in the scientific and technical sectors, that it can count on sufficient human resources to face the challenge. It has also been demonstrated that it has potential alternative resources which can be used in emergency situations.

The measures that have been adopted in this respect and the good relations we have with oil-producing countries, including countries within our region, allow us to undertake this problem with calm and confidence.

Regarding public works, a policy of significant investment will be pursued due to the outcome of public investment through the redistribution of public income, because the investment has a multiplying effect and because public works are the infrastructure on which national development is based.

The most immediate and import task in this sector is the completion of the work on Highway 8, and the access to Montevideo by Highways 1 and 5 will also be carried out.

Also important in this sector is the conclusion, after having been stalled for 40 years, of the railway bridge over the Negro River; with the railway tracks continuing from kilometer 329 in order to achieve, for the future, the economic and social integration into the country of the territory between the Negro and Tacuarembo Rivers and San Luis Creek. The potential of this territory is equal to that of the rest of Uruguay.

Regarding smaller works, preference and the appropriate attention will be given to roads that will penetrate rural areas. Therefore, we will do justice to the pioneers of our agricultural production and through the outcome that is being sought we will achieve greater integration. We have as a necessary complement a primary network that is already basically satisying the needs of the transport sector. The economic resources of all the country will be used for this sector.

The government also has the aim of correcting the serious deficiency in the country's communications sector. Although national authorities, especially those of UTE [General Administration of State Electric Power and Telephones], have carried out very good work during the past few years--something that is known to everyone--we need to work a lot more in order to reorganize the services and improve efficiency. The natural deterioration of the installations, the slackness and omissions that have been accumulating over the decades, is so great that it will be necessary to make every effort inorder to equip the country with the services that it needs to continue with some possibility of success toward continuous development.

Finally, and without intending to minimize or not acknowledge other important aspects of the ever-emerging problems of our country and in addition to what has already been said, it is necessary to stress that the national model that has been proposed is that of a renewed ideal that is cloaked in republican essence. It is based on the acknowledgment of the natural rights of man, on the reaffirmation of the principle of the freedom of the human individual and on a democratically organized society; where the state is for the common welfare, where work and property are a social priority and where public order and social justice are based on the concepts of the citizen.

With the generous, unselfish and fully aware help of all Uruguayans, always taking into account that not only through work--whether physical, intellectual or artistic--but also the virtues and vocation of our men, we will achieve the objectives of the process of national reconstruction and consolidation that was begun in 1973, and which has as its fundamental and permanent objectives the struggle for the happiness of the Uruguayan people, despite everything and all those that oppose us. Thank you very much. [applause]

FIVE NEW MINISTERS ANNOUNCED, OTHERS RETAINED

PY011713 Montevideo Radio El Espectador Network in Spanish 1620 GMT 1 Sep 81

[Excerpt] As of today five ministries will have new ministers to head them.

A woman will occupy the Education and Culture Ministry with the departure of its current minister, Daniel Darracq. He will be replaced by Raquel Lombardo de Betolazza, who had been interim rector of the University of the Republic. Enrique Viana Reyes has been named new rector of the university.

The well-known farmer and livestock producer, Carlos Mattos Moglia, will be at the head of the Agriculture and Fishing Ministry, which was vacated by Felix Zubilaga.

Augusto Alonso will head the National Defense Ministry. This ministry had been headed by Walter Ravenna, who has been a public official for more than a decade.

Fernando Bayardo Bengoa leaves the Justice Ministry to be replaced by Julio Espinola, a former member of the Council of State.

Luis Givogre will replace Antonio Canelas in the Public Health Ministry.

The following ministers have been confirmed in their posts: Valentin Arismendi as economy and finance minister, Francisco Tourreiles as industry and energy minister, Gen Yamandu Trinidad as interior minister, Eduardo Sampson as transportation and public works minister, Estanislao Valdes Otero as foreign minister and Carlos Maeso Rodriguez as labor and social welfare minister.

Gen Pedro Aranco will continue at the head of planning, coordination and information.

Oscar Victor Rachetti will continue as Montevideo's mayor.

Most of the mayors in the interior of the country will continue in their posts.

COSTA RICA

NIEHAUS REITERATES SUPPORT FOR SALVADORAN JUNTA

PA030300 San Jose Radio Reloj in Spanish 0100 GMT 3 Sep 81

[Text] Once again, the Government of the Republic of Costa Rica, through its Foreign Ministry, has reiterated its support for the Salvadoran government junta headed by Jose Napoleon Duarte as a transitory and viable formula toward institutionality. Likewise, the communique read by Foreign Minister Bernd Niehaus himself voices the Costa Rican Government's acknowledgement of the efforts made to seek a peaceful and definite solution to the crisis being endured by the fraternal Salvadoran people.

In addition, the government states that all actions that may be promoted to seek a peaceful solution in El Salvador should be based on the principle of nonintervention. This action to seek a solution to the Salvadoran conflict must be within the principle of self-determination and through the expression of popular will in the form of dialogue and democratic elections, states Foreign Minister Bernd Niehaus.

ENDERS EXPECTED TO ATTEND MEETING IN SAN JOSE

PA030320 San Jose Radio Reloj in Spanish 0100 GMT 3 Sep 81

[Text] Foreign Minister Bernd Niehaus has confirmed that U.S. Assistant Secretary of State Thomas Enders will attend the technical meeting of the Nassau group with Central American representatives in San Jose.

Enders will come to represent the U.S. Government and to learn details of the proposal to be made by the nations of the isthmus to the group which met in Nassau. That group, which includes Canada, the United States, Mexico and Venezuela, decided to aid the isthmian nations.

However, Niehaus reiterated that this meeting, which will take place on 6 and 7 September, will be of a technical nature. He added that the attendance of foreign ministers has not been confirmed.

PRESIDENT CARAZO ANNOUNCES ECONOMIC MEASURES

PA022350 San Jose Domestic Service in Spanish 0305 GMT 2 Sep 81

[Speech to nation by Costa Rican President Rodrigo Carazo; time and place not given--recorded]

[Excerpt] We have had to adopt many measures through executive decree. The delays in the currency law, the tax reform and the approval of loans, as well as the loss in loans and the supreme court ruling, have forced us to make certain financial and monetary decisions. I will announce these decisions right away and they will become effective immediately. Some are Central Bank agreements and others are Finance Ministry agreements. They all have the support of the government of the republic.

1. Pursuant to Article 96 of its organic law, the Central Bank will establish a system of import permits [words indistinct] to be based on the previous statistics on orders [word indistinct] the presentation of the indispensable requisite [word indistinct] goods in accordance with the provisions of executive Decree No 5279 dated October 2, 1975. These permits will be granted selectively in order to reduce imports of nonessential goods to levels compatible with the expected foreign exchange income.

The rules to be established by the Central Bank will ensure that import licenses will be granted for at least the following items:

A. Imports from Central America and Panama which are covered by free trade treaties.

B. Imports from the rest of the world involving health items, basic grains, edible oils, educational materials, fuels and lubricants, raw materials for intermediate goods (?for) agricultural and industrial activities, essential construction materials, spare parts for all types of machinery and equipment, and capital goods to be used exclusively to implement specific projects and to produce export goods.

It is understood that the granting of the import license does not imply a guarantee that the required foreign exchange will be made available by the national banking system. Said agreement has already been approved by the Energy Council in accordance with legal provisions in effect.

2. The Central Bank will continue to make foreign exchange available at the exchange rate of 8.60 colones to the dollar in the manner and under the conditions previously applied by it for remittances to Costa Rican students abroad, expenses of the Foreign Relations Ministry abroad in accordance with the nation's 1981 budget.

3. If it has the funds, the Costa Rican Central Bank will make foreign exchange available at the rate of 18.90 colones to the U.S. dollar, or any other rate it may establish in the future, to cover imports by the government and by the private sector. This will be done through the national banking system and other authorized entities on a strict priority basis.

4. The statistical records of orders confirmed by foreign (?states) [words indistinct] but if (?these involve) imports for which the respective license will not be granted, the Central Bank will not sell foreign exchange to pay for such imports.

5. Foreign exchange from exports will be exchanged as follows: 9 percent at the official rate and 91 percent at the rate of 18.84 colones to the U.S. dollar.

6. The following mechanisms will remain in effect: The method by which foreign exchange is made available to exporters generating it and requiring it to purchase raw materials and inputs for their own activities; the method by which dollars are made available to pay for [word indistinct] through the Central American clearing house; the method by which dollars are made available for products from Central America and Panama which are covered by free-trade treaties.

7. The regulation requiring that export sales be covered by a bank letter of credit in order to receive the respective export license is lifted. Commercial banks are urged, however, to continue promoting the use of letters of credit in carrying out our country's export trade.

8. The Central Bank will exercise strict control in order to assure that the reimbursement of foreign exchange from export sales is made within the period indicated in the respective export license, which must be in line with usual international commercial practices.

Whenever any person or legal entity fails to comply with this requirement within the specified period, the department of international transactions will issue a certificate to that effect and will send it to the legal department of the Central Bank. That legal department will take action as specified in Article 100 of the Central Bank's organic law. This article provides that violations of legal provisions on foreign exchange will be punished under the law by a fine [words indistinct] and repeat offenses, which in no case may be less than 25 percent or more than 50 percent of the amount involved [passage indistinct] and, depending on the seriousness of the offense in the case of repeat offenses, with cancellation of the commercial licenses (?of the guilty party).

In these cases, the legal proceedings will be handled by criminal court judges in San Jose and will be verbal and expeditious.

9. The Costa Rican Central Bank will adopt whatever measures it deems necessary for the commercial banks to meet the goals of the national credit program. In line with the foregoing, and in the field of [words indistinct] to support the 1981 credit program, the Central Bank will grant rediscount facilities to the state-run commercial banks to permit the implementation of this program.

10. Within the existing legal bounds, state commercial banks are authorized to finance the matching funds [recursos de contrapartida] of all foreign loans obtained by the public sector which have not yet been totally or partially disbursed. Therefore, if necessary, the Costa Rican Central Bank will supply to these entities the required funds either through rediscounting or through any other compatible mechanism.

11. Authority is granted to make available to the central savings and loan department [departamento central de ahorro y prestamo], through the Cartago Agricultural Credit Bank [Banco de Credito Agricola de Cartago], the funds provided for under the 1981 credit program in order to finance this department for the remainder of this year. This action will guarantee the normal development of credit operations for housing construction.

12. I have asked the state-run commercial banks to take immediate legal steps as expeditiously as possible in order to [words indistinct] all machinery and equipment they are holding while, at the same time, granting all facilities for [words indistinct] to acquire them. Simultaneously, the [?banks] will grant credits to repair the used machinery. [Words indistinct].

I also recommend that the national banking system pay particular attention to the organization and financing of technical enterprises which own farming equipment and which provide services to farmers in the community so that each person wishing to plant will not have to purchase farm machinery.

In addition, I (?urge) the Central Bank to propose, within 30 days, and in conjunction with the commercial banks, the legal reforms required to expedite these actions. (?In this way), the most important needs will be met and the Costa Rican Central Bank will be fully able to pay the certificates of deposit in dollars issued by it.

Since the financial markets competing with us are raising their interest rates to attract capital, we will not allow the local market to be uncompetitive. In a world in which money is a basic requirement for development and (?employment), we cannot allow our markets to [word indistinct] even if it has to be accomplished through higher interest rates, we must (?do so).

In addition, we will be able to return to normal in regard to credits for agriculture, stockbreeding and exportation in general and also to (?avoid) the paralysis of housing and infrastructure construction programs already covered by contracts. These programs guarantee the operations of the construction industry and thereby maintain employment, to a high degree, by keeping sources of employment open.

In order to carry out all the measures to which I have referred, I have asked the national banking system to (?faithfully) provide credits in the amounts specified in the credit program approved for this year.

The agreement with the IMF provides for consultation mechanisms so that we may jointly review any circumstance affecting the terms of the agreement. Upon learning of the ruling by the Supreme Court, the Government (?concluded) that these circumstances involved noncompliance with some clauses of the agreement and asked the fund to set the consultation mechanism into motion. Since that date, we have been in constant written or oral communication with the fund to review the effects of the court ruling.

Following the (?rejection) of the law on the Costa Rican Oil Refinery [RECOPE] and due to the delay in the processing of the monetary bill, on 18 August the government asked that a mission be sent to hold talks with the Finance Ministry, the Central Bank and the Economy Ministry as well as with other representative national groups as part of the consultation mechanism. This request was made with a view toward accomplishing the necessary adjustments in the program with the IMF to offset the consequences of the previously mentioned circumstances.

With great speed and interest, the IMF sent a high-level technical mission to Costa Rica. All last week, this mission held talks with the government, the Central Bank and representatives of the political, economic, managerial and union sectors.

The government reiterates the steps it has decided to take [word indistinct] that it is taking them in order to maintain the program and offset the previously mentioned ill-effects of the Supreme Court ruling, ratification law on RECOPE, the delay in processing the monetary bill, the delay in approving the loans and the very serious situation stemming from the shelving of the tax law.

In a climate of understanding and cordiality, the members of the mission reiterated the IMF's position of helping Costa Rica fulfill its program aimed at changing the economic structures, the refinancing of its foreign debt and seeking the adjustments required by the agreement in order to guarantee that it will have a positive effect on the structural change.

As part of this consultation process, Vice President Jose Miguel Alfaro has been in Washington since Monday. He has talked with Vice President George Bush. During his visit to Washington, he will hold talks with the IMF, the IDB and the World Bank.

We will face many difficulties in this very complicated economic world. However, we must (?take action) with determination, speed, and much courage.

The executive branch and the president of the republic assume full responsibility (?for these actions). Costa Rica is what matters. The Lord has wanted us to (?govern) without the cooperation of many and against the negative attitude of some people. But, in face of these inconveniences, he has given us mettle and unshakeable determination. [Passage indistinct] very difficult times.

We are not doing all this for the benefit of our government. We are doing this for Costa Rica. Costa Rica is eternal. Good night.

World Changes Affecting Country

PA030315 San Jose Radio Reloj in Spanish 1730 GMT 2 Sep 81

[Excerpt of speech by Costa Rican President Rodrigo Carazo at inauguration of public works in the town of Esparta on 2 September--recorded]

[Excerpt] On this morning that I have come to greet you, I cannot resist the temptation to tell you that in Costa Rica we are experiencing a process of change in line with the huge changes taking place in the world.

We are not letting things happen while we sit back and do nothing. We are energetically working so that the people will adjust to one of the most difficult processes that mankind has experienced.

There is a tremendous increase in the price of our imports and a decrease in the price of our exports. There is a tremendous process of injustice by the wealthy countries which, frightened by the situation of the poor countries, are now extending their hands to help them because the wealthy countries know that the unjust trade system which affects the small countries cannot continue in the world. This is evident in both the socialist camp, where Poland is rocked by injustices, and here in the West where poor people suffer from the injustice of the trade system. This is why the country should work to adjust as best as we can through our efforts.
[end recording]

EL SALVADOR

FRENCH FOREIGN MINISTRY DELEGATION TO ARRIVE 4 SEP

PA021546 Panama City ACAN in Spanish 1500 GMT 2 Sep 81

[Text] San Salvador, 2 Sep (ACAN-EFE)--A Salvadoran Foreign Ministry spokesman said today that a delegation from the French Foreign Ministry will visit El Salvador on Friday.

The spokesman said that he is "unaware of the nature of the French mission, inasmuch as the French Government's attitude has been regarded as unfriendly."

Last week France and Mexico issued a joint declaration recognizing the opposition Revolutionary Democratic Front and the FMLN as politically representative forces. He said, "France is possibly reconsidering by sending a mission to El Salvador, to which we would be receptive, but always with dignity."

Declaration Seen as 'Trick'

PA021500 San Salvador EL DIARIO DE HOY in Spanish 1 Sep 81 pp 48, 22

[Editorial: "Political Recognition is a Trick"]

[Excerpts] Will we fall for it, asks a priest, Dr Ricardo Jimenez Castillo, in a statement that says: "The war without definite fronts which was imposed on us and which is encouraged from abroad by those who cannot see liberty of any kind in foreign lands nor in their own, is cruel, tortuous, pitiless and other epithets, all of them dirty. But more than anything else, it constitutes the most cynical, boastful hypocracy ever seen, I think, in the history of mankind. The phrases, attitudes and 'decisions' of our enemies are always double-edged and two-faced: The false but smiling face is turned to the public and the true harsh, hostile face with teeth bared is the one with which they try to gain our confidence here in the interior of the nation. This time, it seems that they have changed their opinion because the ugly, toothy and troublemaking face is also turned toward the public as well as toward us. A variation? Perhaps in form, but never in essence.

"The 'political recognition' of two parties which are no such thing and could never be in any country, logically, is an ugly face put on for world public opinion. Of course its acceptance and/or development in any form would be an ominous precedent for the people of the whole world and mostly for the peoples who are weak--especially the economically weak like those of El Salvador--and all those who are citizens of countries that do not yet even deserve the description of 'semipower.' To El Salvador, the face must not be considered so ugly because the so-called 'political recognition,' that is incipient and 'discredited' means little or nothing."

"The Salvadoran organizations that were 'recognized politically' are de facto entities. They have no legal standing. Therefore, they do not exist before Salvadoran laws. But they have no way of acquiring legal status or being legally recognized--acting with legality and not with demagoguery--not even by their 'recognizers.' Lopez Portillo and Cheysson are both ineffable; ('they cannot be described with words'). Their respective legal systems would not permit them to be described, assuming that laws are respected in Mexico, naturally. The situation would have been different if the 'recognizers' had agreed, of course after having complied with the prerequisites of international laws, on the 'recognition of insurgency' by a 'political authority' that dominates, (I said dominates, not harrassed), a considerable portion of our territory, not a small, insignificant portion, this giving some degree of seriousness to any particular 'political administration.'

"So now the question arises: What do Lopez Portillo and Cheysson pursue with the apparent nonsense of showing us their teeth for nothing? In my opinion, it is obvious: They want to make us break off with Mexico and France in an outburst of sudden hurt patriotism. And this would have unforeseeable consequences. But, are we this stupid? Surely not, and Duarte saw things clearly. In his televised speech on Sunday he did not mention--or even allude to--this stupidity, but he did mention other prudent measures. And whoever wants to listen, let him. And whoever wants to see, let him. And the deaf and the blind had better not get into this mess.

"[Dated] San Salvador, Monday, 31 August."

EXPLOSIONS LEAVE WEST SIDE OF CAPITAL IN DARKNESS

PA030257 Paris AFP in Spanish 0201 GMT 3 Sep 81

[Text] San Salvador, 2 Sep (AFP)--Three high-powered bombs exploded here tonight 2 blocks from the Flor Blanca National Stadium leaving the west side of the capital in the dark and alarming the residents.

The bombs destroyed a supermarket, a branch bank and a power transformer, thus causing the power outage. So far no casualties have been reported. The violence today is one more in the series of sabotage actions staged against high-tension towers over the past 3 weeks.

The explosions were heard throughout a 10-km area. According to AFP's information, they caused the suspension of a soccer game between the team of El Salvador and the Newells Old Boys of Rosario, Argentina.

PCN CALLS FOR REALISTIC POLITICAL ASSESSMENTS

PA281730 San Salvador LA PRENSA GRAFICA in Spanish 20 Aug 81 p 23

[Paid advertisement by the National Conciliation Party, PCN: "Appearance and Reality;" words in caps denote boldface as published]

[Excerpts] Preamble

No doubt each and every Salvadoran knows the difference between appearance and reality. That is why it is possible to state that we all understand, in principle, how appearances have been used--and are being used--in a negative way in the critical situation of our country. Instead of making the adjustments, reforms and changes urgently needed by our economic and social systems, we dedicate ourselves (all of us) to creating appearances in an attempt to gloss over our dramatic social and human reality.

Appearance and Reality

It can be said that a system is good and tends to perpetuate itself when it is open to the changes demanded by society. Things gets difficult when it is contended that the system, whose creation and process of consolidation are justified, must continue to be invariably upheld, despite the many signs of its deterioration.

In the past, we have simply tried to cover up the terrible social situation that was developing and becoming worse. It would be possible but unnecessary to try to establish specific responsibilities in this regard. However it is possible and necessary to point to the responsibility that falls on the ruling elite, an economic, political, military and professional responsibility; in a word, the responsibility that is everybody's, of all who have contributed in one way or another to our dramatic social situation and to our difficult prospects ahead. We are also equally responsible for creating appearances in an attempt to cover up those terrible truths.

Increased Efforts To Create Appearance in Today's Politics

The PCN has begun this new stage in its public life, outlining the truth objectively, trying to increase the political awareness of the ruling sector and the people regarding our dramatic situation and social possibilities and the attempts to cover up all this by creating appearances. Our fate, and the fate of OUR COUNTRY cannot continue to depend on how badly or well the Salvadoran people and the national problems are presented to the rest of the world.

In truth, far from trying to stop creating appearances and accepting concrete reality, there have been even more attempts to create appearances, just as all the problems that the present government promised to resolve continue to go on. All of those problems have increased. Now the political faction in power shamelessly says that the image of El Salvador in the world has improved, that the domestic situation is improving, that the national economy is booming, that farming production was never better, that the colon is keeping its purchasing power, that savings are abundant, that the masses are improving their situation, that the government does not permit foreign interference, and so forth. In a word, they are telling the people a series of lies, which is the same thing as creating as many appearances as possible, which is what has occurred with all the other problems of the nation.

Some Conclusions

On the basis of the above, some conclusions can be drawn. First, each and every leadership group should not try to create appearances which have done so much harm to OUR COUNTRY as the situation has deteriorated and extremism has increased, and they should view the present and future realistically taking into account our difficult social situation. In this vein, we must be willing to correct the visible errors in the structure of the state, beginning with the constitution, so that there may be an effective social and political mobilization. Second, there should no longer be any hostility toward all ideas involving progress and advancement which stand for the dynamics of change as opposed to a reluctance to change the system. In other words, the way should be paved for economic and social achievements that will lead Salvadorans toward creativity, liberty and justice. In defending the system, one has to demand an end to the social behavior that brought attention to economic and other issues. We must admit that scarcity or abundance, progress or decadence are consequences of the creative or destructive capacity of man and his leadership which, acting upon the bases of a social climate that permits or denies the development of all individual potential, push the nation forward toward progress or keep it socially backward. El Salvador has not even been able to live in the liberal-capitalist system.

The PCN believes in the national leadership's capacity for correcting things based on objective reality. It believes that the foundations of future projects on all levels of national life will be based on the proper interpretation of our economic and social problems. The role that the PCN will play in the salvation of the fatherland, if conditions so permit, will be based on its capacity, responsibility and experience, which come only with time and knowledge. In this plan, there is no room for the fear of reality, the fear of the present dramatic social situation or the fear of the open participation of the people in the democratic construction of OUR COUNTRY.

San Salvador, 19 August 1981. National Conciliation Party, Political Committee

REBEL PRIEST CRITICIZES U.S. AMBASSADOR HINTON

PA292145 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 29 Aug 81

[Message from Father (Rogelio Poncel) for Salvadoran Christians, date not given--recorded]

[Text] According to the newspapers, U.S. Ambassador Deane Hinton, a true representative of the Ronald Reagan administration, talks and gives his opinions, suggestions and orders, but what really surprises us is the arrogance and the lack of scruples with which he refers to a people who are deep in anguish but who are also fighting for what cannot be denied to any nation: peace, justice and liberty.

U.S. Ambassador Deane Hinton is mistaken when he thinks he is dealing with a naive and easy-to-handle people. Our people know who he is and what he represents. Our people know that he represents an oppressive system that--to use Monsignor Romero's words--sees our society from a truly unjust and anti-Christian viewpoint. He represents a system that promotes egoism, which destroys fraternal coexistence among God's children; a system that prevents the majority from enjoying the goods that the Creator gave to everyone, while allowing a minority with everything to have exaggerated wealth. That system is the root of the structural and repressive violence and the reason for much of our economic, social and political underdevelopment.

This is how our people see the ambassador, and it is on this basis that the people pass judgment on his statements and actions.

The U.S. ambassador is also mistaken when he thinks he is facing a fearful and easy-to-defeat people. While the U.S. ambassador holds a luncheon meeting in one of the capital's luxury hotels, the political prisoners in the regime's various prisons lead a communal and fraternal existence that moves even common criminals and the guards. They have initiated a heroic hunger strike that proves our people's fighting spirit and decision to struggle. This unselfish effort by our political prisoners represents a clear warning to Ambassador Deane Hinton and his government: Interventionist policies, regardless of their form, sooner or later are defeated by the morale, combativeness and heroism of our people.

The unselfish effort for human rights by our political prisoners also represents the voice of God speaking against any kind of aggression, especially if it comes from foreign powers, which have no right to interfere. Prophet Habakkuk rejected foreign interference by saying: Since you have seized many towns, murdered their people and ravaged territories, cities and nations, all countries will plunder you.

Viva the heroic strike of the political prisoners: No to Yankee intervention! Let us all join the heroic struggle of our people to win true peace!

GUATEMALA

MEXICAN, GUATEMALAN PRESIDENTS' MEETING POSTPONED

PA022123 Buenos Aires LATIN in Spanish 2053 GMT 2 Sep 81

[Text] Mexico City, 2 Sep (LATIN-REUTER)--The meeting which the Mexican and Guatemalan presidents planned to hold on Saturday has been postponed indefinitely, the Mexican Foreign Secretariat announced today.

A spokesman for the Secretariat told this agency that Mexican President Jose Lopez Portillo and his Guatemalan counterpart Gen Romeo Lucas Garcia had agreed to postpone it.

No official reason was given for the sudden announcement. Reliable sources said, however, that the decision was related to the increasing protests by several Latin American countries to a recent communique by France And Mexico which recognized the leftwing guerrilla groups of El Salvador as part of "a representative political force."

Postponed By Mutual Consent

PA030208 Paris AFP in Spanish 2350 GMT 2 Sep 81

[Text] Guatemala City, 2 Sep (AFP)--Gen Romeo Lucas Garcia, president of Guatemala, said here today that the postponement of the meeting with Mexican President Jose Lopez Portillo was "by mutual agreement." He denied that there are differences between the governments of the two countries.

The meeting between Lucas Garcia and Lopez Portillo had been scheduled for next Saturday. It was to be held on a Guatemalan farm near the border with Mexico. According to Guatemalan officials, the presidents were going to discuss subjects of bilateral interest.

In a statement to foreign correspondents, President Lucas Garcia said that "I agreed with the postponement of the meeting." He added that "this doesn't mean that there are problems between Guatemala and Mexico." General Lucas Garcia said that the main topic that was going to be brought up by Guatemala concerned the joint use of the waters of the Usumacinta River. He said, "Our ideas on this topic are already similar to those of the Mexican president."

Lucas Garcia said that the agenda for the meeting had been left open and that the two presidents were going to be able to propose any topic for discussion. He also indicated that the meeting has not been definitely canceled but only "postponed by mutual agreement and for no specific reason."

He denied that the meeting was suspended due to the threats against the life of President Lopez Portillo by three alleged clandestine groups. He added that "I personally told the Mexican ambassador in Guatemala that there was no danger and that they were phantom threats." Clandestine groups had threatened to "execute" the Mexican president and had indicated that Lopez Portillo was coming to "warn President Lucas not to put pressure on Belize after its independence."

Government sources indicated that President Lopez Portillo's life would not be in danger during the meeting and that special security measures had been taken several days ago in the "Las Virgenes" farm where the presidential meeting was to be held.

Meanwhile, Foreign Ministry sources also denied that the meeting had been postponed because of the French-Mexican agreement recognizing the Salvadoran guerrillas as a political group. The sources said that "relations between Guatemala and Mexico are good."

FOREIGN MINISTER REITERATES RIGHTS OVER BELIZE

PA030342 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 2 Sep 81

[Text] The British Government recently suggested the renewal of talks with the Guatemalan Government regarding Belize even after the declaration of the independence of that territory. Foreign Minister Rafael Castillo Valdez has explained the government's position in this regard:

[Begin Castillo Valdez recording] The government intends to respect and fulfill the constitutional mandate. If no solution is found to the problem of Belize, Guatemala will have to continue to base its position on the constitution: In other words, the absolute and total maintenance [reserva] of all of Guatemala's rights over that territory. [end recording]

NICARAGUA

JUNTA MEMBER RAMIREZ SPEAKS AT PLAZA INAUGURATION

PA021454 Panama City ACAN in Spanish 2118 GMT 1 Sep 81

[Text] Managua, 1 Sep [ACAN-EFE]--Writer Sergio Ramirez, member of the Nicaraguan junta of the Government of National Reconstruction, said today that the government of his country aspires to the "total and real sovereignty" of Mexico, the Caribbean, Central America and Panama."

Ramirez warned that this sovereignty, peace and security in the region will not be achieved "with statements or speeches." "Peace, real sovereignty and security will be achieved by preparing to defend ourselves from any aggression against our territory," Ramirez said, speaking today at the inauguration of the Omar Torrijos Nonaligned Movement Plaza.

The Sandinist government leader asserted that the tensions "which imperialism has created in Central America convert Nicaragua into a focal point which some would like to see destroyed, to turn back the hands of time."

Ramirez added that if any power has any strategy regarding the Caribbean and Central America and speaks of the free passage of their oil tankers and the free passage of their war fleets, the countries of the area must oppose the concept of regional sovereignty to that imperialist concept."

"We cannot feel totally sovereign as long as Puerto Rico is subjugated, as long as the U.S. base at Guantanamo exists in Cuba and there is no guarantee for Belize against the aggression now that it is about to become independent," Ramirez added.

Sergio Ramirez added that Nicaragua cannot feel totally sovereign, either as long as there are in Central America "regressive oligarchies" which have the arms to prevent changes through fire and blood. He said that this is why Nicaragua greets as "very positive" the recognition by France and Mexico of the guerrilla opposition in El Salvador as a force capable of assuming responsibilities in that Central American country.

"This means that those troglodytes who think that the Central American situation will be settled with direct armed invasion and who encourage others to invade Central America will be swayed from such thoughts and attitudes," the Nicaraguan junta leader added.

The new Managua plaza was inaugurated today, Tuesday, on the 20th anniversary of the founding of the Nonaligned Movement. Martin and Moises Torrijos, son and brother of Gen Omar Torrijos, former chief of government of Panama, unveiled the plaque commemorating inauguration of the plaza, where the flags of 87 nonaligned countries waved.

COUNTERREVOLUTIONARIES ATTACK FROM HONDURAS

PA022037 Paris AFP in Spanish 1553 GMT 2 Sep 81

[Text] Managua, 2 Sep (AFP)--A counterrevolutionary force estimated at 60 men was repelled by the Sandinist army following a clash in which two army soldiers died, it was learned here today. The clash took place on Sunday, 31 August, in a jungle area in northern Nicaragua close to Wiwili, about 300 km northeast of Managua.

The government press today reported that the army lost two soldiers when it repelled the counterrevolutionaries' attack. It was said that the invaders, apparently coming from Honduras, did not manage to cross the border.

Previously, it had been officially reported that a group of counterrevolutionaries attacked the garrison at Murra, 9 km from the Honduran border, and that four members of the Nicaraguan Army were wounded during the attack. The official report added that the attackers did not achieve their goal, which was to take over the Murra garrison.

The newspaper BARRICADA, official publication of the FSLN, quoted Pedro Pablo Moran, one of the defenders of Plan de Grama, about 20 km from Wiwili. Moran, a soldier about 18 years old, said that there were approximately 70 to 80 attackers, and that about 10 Sandinist army soldiers clashed with them for 6 hours.

The dead soldiers were identified as Efrain Amador and Roberto Clemente Aguilar. Meanwhile, an army spokesman, Capt Roberto Sanchez, confirmed that two other members of the army are wounded in a hospital, but they are reported out of danger.

The official reports said that it has not been possible to confirm if there were any casualties among the attackers, but they added that residents of the area said they saw the counterrevolutionaries carrying away six wounded.

Captain Sanchez said that the group seems to be the one operating in the vicinity of Kilambe Hill, in the northeastern part of Jinotega Department. The group constantly enters and leaves Nicaragua, seeking refuge in Honduras.

LAWYERS MEETING CONCLUDES; DECLARATION ISSUED

PA021420 Managua Radio Sandino in Spanish 0300 GMT 1 Sep 81

[Excerpts] The fifth conference of American lawyers adjourned in Managua after affirming total support for the Latin American people's causes and total repudiation of North American imperialist, interventionist and destabilizing policies.

The main points of the meeting's final resolution, called the Managua declaration, dealt with support for the struggles of the Central American and Caribbean peoples and rejection of imperialist interventionist activities in the region. Total and unconditional support for the popular struggles of Grenada and Nicaragua to consolidate their process and support for the heroic struggle waged by the heroic Salvadoran people are additional main points within the document. It also rejected imperialist attempts to revive Cold War tensions, gunboat diplomacy and the Big Stick policy.

Support for the recognition on the part of France and Mexico of the Salvadoran FMLN and the Revolutionary Democratic Front [FDR] was one of the main decisions made by the American Lawyers within a militant solidarity with the struggle of this Central American people. A vote of confidence was also given to the Guatemalan and Puerto Rican patriots, reaffirming support for the latter for their legitimate right to self-determination.

The ceremony at the Cesar Augusto Silva Recreation Center was attended by Bayardo Arce, FSLN political committee coordinator and commander of the revolution, Justice Minister Ernesto Castillo and delegates from 24 American nations. A declaration, called the Managua Declaration, containing 28 paragraphs was issued. According to Commander Bayardo Arce, this should not be a mere rhetorical political essay, but a guide for action and work for the Lawyers of America.

BRIEFS

COTTON EXPORT FIGURES--Cotton exports from the 1980-81 crop yielded approximately $128 million, the Foreign Trade Ministry has reported. The total production was 339,810 bales, of which 296,268 bales were exported. The leading purchasers were Japan, Taiwan, PRC, FRG and Hong Kong, among others. [Managua Radio Sandino in Spanish 1800 GMT 31 Aug 81 PA]

SANDINIST PILOTS' GRADUATION--Following 10 months of intensive training, 35 former Sandinist combatants have graduated from the Juan Cabeza Torrealba Technical School of Aeronautics [Instituto Tecnico de Aeronautica Juan Cabeza Torrealba] as commercial and agricultural pilots with combat training. They will subsequently take special courses in mechanics, air traffic control, meteorology and aviation techniques. The air militias have been created in view of the country's defense needs. [Managua Radio Sandino in Spanish 1200 GMT 31 Aug 81 PA]

EEC MISSION--The Foreign Ministry has announced the arrival in the country in September of a delegation of the EEC. The mission's objective is to learn more about the revolutionary process and make arrangements for the establishment of a Belgian diplomatic representation in Nicaragua. The announcement said that the Nicaraguan ambassador in Belgium, Gonzalo Murillo, will accompany the delegation. Ambassador Murillo is the bearer of a $10,000 donation from the Dutch prince consort for the cooperatives of the Peasant Development Program, PROCAMPO, in the city of Santa Teresa, Carazo Department. [Text] [Managua Radio Corporacion in Spanish 1200 GMT 31 Aug 81 PA]

FOREIGN MINISTER VISITS VIETNAM, SIGNS ACCORDS

For reportage on Cuban Foreign Minister Isidoro Malmierca's 27-31 August visit to Vietnam, including reports on the talks with SRV Foreign Minister Nguyen Co Thach and Premier Pham Van Dong and the signing of consular and cultural, educational cooperation agreements, see p K 7 of the Vietnam section of the 1 September Asia & Pacific DAILY REPORT.

SOLIDARITY GROUPS MARK VIETNAMESE ANNIVERSARY

FL021540 Havana Domestic Service in Spanish 1400 GMT 2 Sep 81

[Text] The 36th anniversary of the proclamation of the independence of Vietnam was celebrated in Havana at a ceremony hosted by the Cuban Institute of Friendship With Peoples, ICAP, and the Cuban Committee of Solidarity With Vietnam.

The ceremony was attended by Ambassador Nguyen Huu Ngo; (Gien Swang Ng), the military, naval and air attache of the socialist Republic of Vietnam in Cuba; and other guests.

Hernan (Llanes), an adviser to the Cuban Committee of Solidarity With Vietnam, gave a speech on the occasion, mentioning that on 2 September 1945, in Ba Dinh Square, President Ho Chi Minh problaimed the establishment of that state to the world.

ICAP, FRIENDSHIP GROUP ORGANIZE PRO-ANGOLA RALLY

FL011651 Havana Domestic Service in Spanish 1600 GMT 1 Sep 81

[Text] A rally of solidarity with the People's Republic of Angola to repudiate South African aggression against its territory has been held in Havana. It was organized by the Cuban Institute of Friendship With Peoples [ICAP] and the Cuban-African Friendship Association. (Dierfer Marichani) spoke on behalf of the African students in Cuba. The closing remarks were made by Marta Depres, member of the Council of State and vice president of the Cuban-African Friendship Association. Also attending were ICAP officials, African students and members of the Cuban-African Friendship Association.

DENGUE EPIDEMIC CASES CONTINUE TO DROP

FL021117 Havana Domestic Service in Spanish 1045 GMT 2 Sep 81

[Text] We are entering a new phase in the fight to death all over the country against the Aedes aegypti mosquito with the beginning today of the fourth cycle of interdomiciliary fumigation by spraying.

Concerning the present stage of intensive attack, the third fumigation cycle showed a good rate of nationwide fulfillment: 101.9 percent. Only Guantanamo and Havana City Provinces showed figures lower than expected. The next 10 days will require intensive work from the fumigators in charge of this task and they will have to display a coordinated and efficient action in conjunction with the mass organizations.

The dengue epidemic continues to decrease and all provinces show a disease rate of less than 1 per each 10,000 inhabitants. Reported cases have been below 500 for 1 straight week with declines of over 60 percent as compared to the previous week.

BRIEFS

AMBASSADOR TO LEBANON--The Council of State has appointed Comrade Jacinto Vazquez de la Garza ambassador of the Republic of Cuba to the Government of the Republic of Lebanon. Vazquez de la Garza was political adviser at the Ministry of Foreign Relations. [Havana Domestic Service in Spanish 1600 GMT 1 Sep 81 FL]

ANTIGUA

GOVERNMENT TO JOIN INTERNATIONAL ORGANIZATIONS

FL312334 Bridgetown CANA in English 2221 GMT 31 Aug 81

[Text] St Johns, Antigua, 31 Aug (CANA)--Premier Vere Bird says Antigua is seeking membership in a number of international organizations, including the United Nations, the Organization of American States (OAS), the World Bank and the International Monetary Fund (IMF). Mr. Bird's announcement in the House of Representatives comes as Antigua prepares to gain its independence from Britain on 1 November.

Antigua also intended to join the Rome-based Food and Agriculture Organization (FAO) and specialized United Nations agencies, the premier said. Meanwhile, the House of Representatives has passed a resolution authorizing the administration to apply for membership in the Commonwealth of Nations after independence. Mr Bird has stated that preparations for the independence celebrations are well underway.

LESTER BIRD DESIGNATED EXTERNAL AFFAIRS MINISTER

FL022011 Bridgetown CANA in English 1935 GMT 2 Sep 81

[Text] St Johns, Antigua, 2 Sep (CANA)--Lester Bird, Antigua's deputy premier and minister of economic development, energy and tourism, has been given the added responsibility of external affairs, the office of the premier announced today. Premier Vere Bird, Lester's father, previously held responsibility for foreign affairs although technically Britain retains responsibility for this function until Antigua becomes independent on 1 November. Lester Bird is assisted in the ministry by Hugh Marshall, minister without portfolio responsible for public information.

ST VINCENT

TANNIS OFFERS MEDIATION IN ESSEQUIBO CONFLICT

FL311640 Bridgetown CANA in English 1528 GMT 31 Aug 81

[Text] Kingstown, St Vincent, 31 Aug (CANA)--The Government of Saint Vincent and the Grenadines is willing to act as a mediator in the present territorial dispute between Guyana and neighboring Venezuela, Deputy Prime Minister Hudson Tannis said.

Mr Tannis, who also has responsibility for foreign affairs, told CANA that his government was very concerned over the "much prolonged issue" and wanted to see a peaceful solution to the problem.

"It must be of serious concern to the Republic of Guyana that so large an area of their country could be claimed by another," the deputy prime minister said.

"We are living in an age where it would be better to resolve things by peaceful means rather than any other means," the foreign affairs minister said.

Venezuela is claiming 5/8's of Guyana under a longstanding territorial claim.